

ASSEMBLY BILL

No. 347

Introduced by Assembly Member Block

February 19, 2009

An act to amend Section 7054 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 347, as introduced, Block. Sales and use taxes: failure to furnish information.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, and on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The State Board of Equalization is authorized to administer and enforce that law, as provided. Existing law provides that the board or any authorized person may examine the books, papers, records, and equipment of any person selling tangible personal property and any person liable for the use tax and may investigate the character of the business of the person in order to verify the accuracy of any return made, or, if no return is made by the person, to ascertain and determine the amount required to be paid.

This bill would authorize the board to impose a 25% penalty, as specified, if during an examination or audit engagement, the person fails or refuses to furnish any information requested by the date specified in writing and required by the Sales and Use Tax Law.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7054 of the Revenue and Taxation Code
2 is amended to read:

3 7054. (a) The board or any person authorized in writing by it
4 may examine the books, papers, records, and equipment of any
5 person selling tangible personal property and any person liable for
6 the use tax and may investigate the character of the business of
7 the person in order to verify the accuracy of any return made, or,
8 if no return is made by the person, to ascertain and determine the
9 amount required to be paid.

10 (b) *If, during an examination or audit engagement, any person*
11 *described in subdivision (a) fails or refuses to furnish any*
12 *information requested by the date specified in writing by the board*
13 *and required by this part upon notice and demand by the board,*
14 *then, unless the failure is due to reasonable cause and not willful*
15 *neglect, the board may add a penalty of 25 percent of the amount*
16 *of tax determined pursuant to Section 6481 or any deficiency of*
17 *tax determined by the board concerning the assessment for which*
18 *the information was required.*